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June 30, 2003

VIA FACSIMILE (202-434-5029) AND FIRST CLASS MAIL

Margaret A. Keeley, Esquire
Williams & Connolly
725 Twelfth Street, N.W.
Washington, D.C. 20005-5901

Re: *Kurchatov v. Western Services Corporation, et al.*
In the United States District Court for the District of Maryland
Case No. AMD 02 CV3878

Dear Meg:

I write in response to a letter I received from Ann N. Sagerson on June 26, 2003 by facsimile. Initially, several inaccuracies contained in the letter should be clarified. Ann writes that "we (she and I) had previously agreed, during our telephone conversation of June 6, 2003" that WSC would initially produce "only" the first and last version of SimPort 2000. While I had preliminary discussions with you, Meg, on June 6, 2003 regarding WSC's response to Kurchatov's First Request for Production of Documents, I never spoke with, or reached any agreement with Ann regarding any production issues. The letter also indicates that we previously "agreed" that WSC would "only" produce the first and last version of SimPort 2000. As you may recall, in our conversation of June 6, 2003, I stated that while the first and last versions seemed fine to me, I had to confirm that with both John Murphy as well as our computer software expert. After discussions with John, our client, as well as our computer software expert, it was indicated that we require all versions of SimPort, as was requested in our First Request for Production of Documents. To the extent that any statement in my June 20, 2003 letter gave you a contrary impression, I will again clarify that Kurchatov insists that WSC produce all versions of SimPort 2000 as requested in its First Request for Production of Documents.

Ann's letter of June 26, 2003 goes on to state that, notwithstanding the alleged agreement to the contrary, WSC will produce "the simulation data loads for each

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For the century ahead.

Meg Kealey, Esq.
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project," and implies that such production is all that was requested of WSC. This is not the case. As you will recall, document request No. 1 asked for: "The source code for each and every computer software program, or simulation package using computer software, that was marketed, sold or licensed at any time under the mark SIMPORT . . ." Clearly, this request requires that WSC produce all versions of SimPort, including each incremental version of SimPort 2000, as well as all "simulation data loads for each project that utilize this SimPort 2000 software," as Anne's letter agrees to produce. Beyond offering an incomplete production, Ann's letter also conditions this production on KI's withdrawal of third-party subpoenas to customers, which seek, among other things, internal customer documents. The subpoenas stand as independent obligations for the customers and have no relation to our request that WSC produce the information in formal discovery. As such, to the extent that your offer to comply with the federal discovery rules is conditioned upon KI waiving its rights to subpoena documents from nonparties, this offer is rejected.

On a somewhat unrelated matter, while reviewing WCS's recent document production, I note that a divider at the beginning of the box indicates that the box is 1 of 2. Please note that Kurchatov only received one box of documents, despite this note's indication of the existence of a second box. Please notify me immediately as to the location of the missing second box. I look forward to your prompt response to the remaining outstanding discovery issues raised in my letter of June 20, 2003, which you indicated will be responded to under separate cover.

If you have any questions in the meantime, please do not hesitate to contact me directly so that we may resolve the outstanding issues regarding WSC's document production.

Very truly yours,
Jesse B. Hammock

JBH:cld

cc: John M. G. Murphy, Esquire
Charles L. Simmons, Esquire (via facsimile and first class mail)
Ann N. Sagerson, Esquire (via facsimile only)